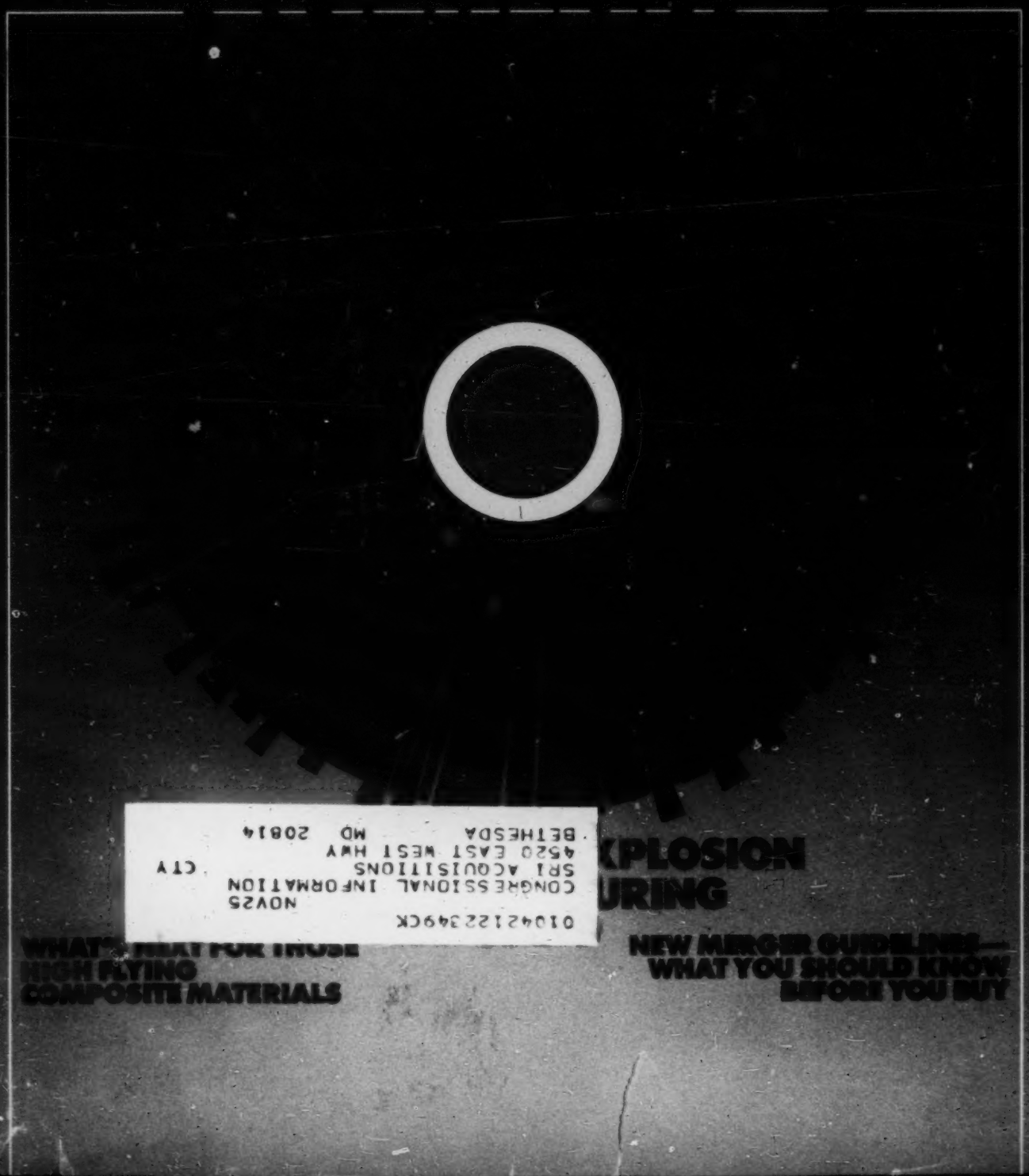
C2150-8

CHILTON'S

November 19, 1984

IRON AGE

MANUFACTURING MANAGEMENT



NOV25
CONGRESSIONAL INFORMATION
SRI ACQUISITIONS
4520 EAST WEST HWY
BETHESDA MD 20814
01042122349CK

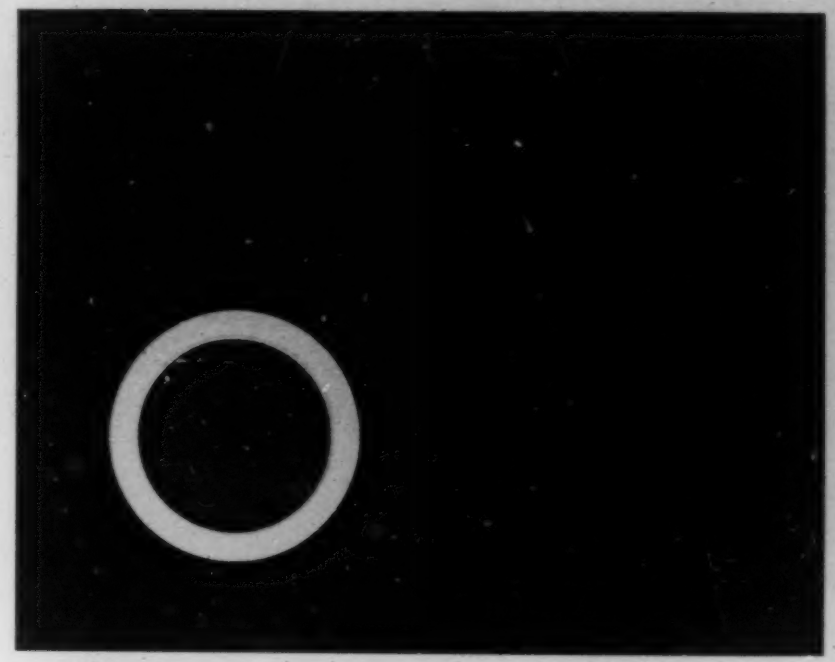
KPLOSION
URING

WHAT'S HEAT FOR HOSE
HIGH FLYING
COMPOSITE MATERIALS

NEW MERGER GUIDELINES—
WHAT YOU SHOULD KNOW
BEFORE YOU BUY

NOVEMBER 19, 1984 VOL. 227, NO. 22

IRON AGE
MANUFACTURING MANAGEMENT



Editorial 5
What side are you on? Are you sure?

Newswatch 15
General Motors breaks ground for its factory of the future.

Machine Tool Report 26
Onan installs big fabrication FMS.

Financial Analysis 28
Mega-deals now rule mergers.

You and Your Job 32
Stock purchase plans energize employee productivity.

Industrial Software 34
Software is exploding among big and small manufacturers.

Aircraft Materials 55
Composites reach new heights in aerospace industry.

Anti-Trust 67
Are the government's new merger guidelines still too vague?

Metal Earnings 77
Steel takes a drubbing; aluminum beat out nickel and copper.

Technically Speaking 83
Plasma spraying builds parts from rapidly solidifying metals.

Materials Report 94
Domestic steelmakers look for a reduction in steel imports.

Price Trends 108
Producer prices continue their fall.

Next Issue: Adversarial America.

Departments

EDITORIAL STAFF	8
SIGNED, SEALED AND DELIVERED	11
INDUSTRIAL BRIEFS	24
PRODUCT & EQUIPMENT REVIEW	85
PERSONNEL TOUCH	93
AD INDEX	98
MANAGEMENT SERVICE CARD	99
BUSINESS STAFF	100
P&P DATA 11/5	103
FERROUS SCRAP 11/5	104
CLEARING HOUSE	105

IRON AGE (ISSN 0164-5137) is published 24 times a year by CHILTON COMPANY, Chilton Way, Radnor, PA 19089. Chilton Co. is a division of American Broadcasting Companies, Inc., New York, N.Y. Second Class Postage Paid at Wayne, PA 19087 and additional mailing offices. IRON AGE is sent on a controlled free basis to qualified managers in U.S. metalworking companies. Non-metalworking companies, services, government, institutions, schools and colleges, $42 one year. Canada, $69 year. Foreign, $69 one year. Single copies, $2.50. Cable Chilton Philadelphia.
Send address changes to IRON AGE, P.O. Box 1440, Riverton, N.J. 08077.

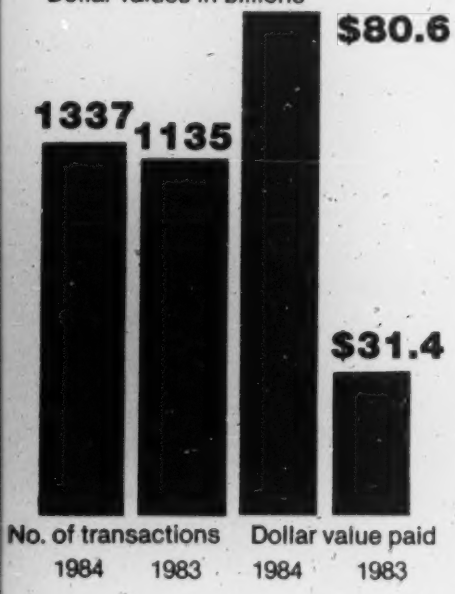
Chilton

ONE OF THE ABC PUBLISHING COMPANIES

MEGA-DEALS NOW RULE MERGERS

Billion-dollar-plus merger deals have spread from the oil industry to others. And 'going-private' deals are increasing in numbers.

Mergers & Acquisitions
First half 1984 vs First half 1983
Dollar values in billions



Source: W. T. Grimm & Co.

BY JOHN D. BAXTER

Corporate merger/acquisition activity cooled in the second quarter.

The number of transactions announced in the quarter totaled 627, down from 710 in the opening period of the year. And the dollar value involved in the transactions totaled $32.3 billion, down from $48.3 billion in the first quarter.

However, for the first half this year, the number of transactions and dollar value were both well above the first half totals of last year. (See table). The data comes from the Chicago merger consultant firm, W. T. Grimm & Co.

The first-half total in dollar value of $80.6 billion broke the record for any six-month period since the firm launched its merger data program in 1963.

Grimm Chairman Willard T. Grimm said, "The mega-deals in the oil and gas industry early this year spread into other industries."

He pointed out that there were 12 transactions valued at $1 billion or more during the first six months this year. These mega-deals totaled $48.7 billion, 60 pct of the total.

Morever, there were 104 transactions with price tags of $100 million or more. This number was up 73 pct from the 60 recorded in last year's first half.

Tomislava Simic, Grimm's director of research, attributed a 37 pct first half increase in acquisitions of publicly-traded companies to undervalued per-share prices of many of them. This makes the stock "available at a discount from its real value and thus vulnerable to takeover," she explained.

Another factor accounting for the big increase in takeovers, she said, "is the significant growth in going-private transactions—acquisitions of publicly-traded companies by private investment groups or individuals."

There were 40 going-private transactions in the first half this year, more than double the 16 deals reported in last year's first half. The dollar value of the 40 deals increased about nine-fold to $11.4 billion, up from a year-earlier $1.3 billion.

Privately-held companies have also been going the merger route in a big way lately. Acquisitions of private companies totaled 710 in the first half. That is a 24 pct jump from the same time span last year.

Business borrowing is badly lop-sided

If U.S. industry is to escape a credit crunch this year, it may well have to quickly change its financing ways.

The problem is that U.S. nonfinancial corporations are depending far too heavily on short-term borrowing to meet their recovery needs.

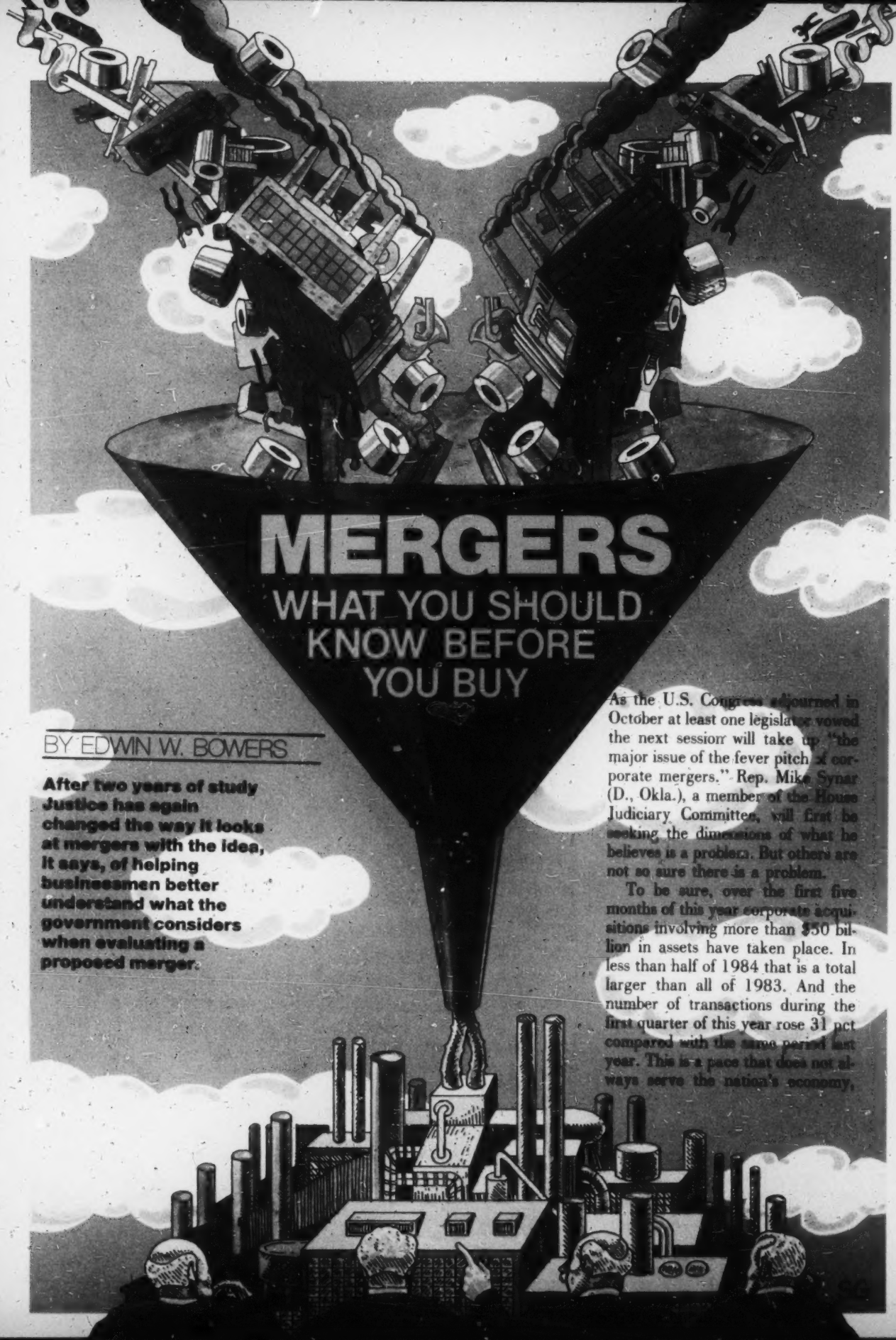
In the second quarter of this year, these corporations took on bank loans to the tune of $76.6 billion at a seasonally adjusted annual rate. That was down from an extraordinarily high $86 billion in the first quarter.

But, by any other standard, the second quarter showing still showed a lop-sided dependence on bank borrowing. For example, bank borrowing in the 5-year period 1979-83 averaged $36 billion per year.

Companies, fearful of getting locked into high interest rates over the years, pared their long-term bond indebtedness in the second quarter by $10 billion to $27.6 billion.

And in stocks, corporations took off the market more stock than they issued in the June period. The net stock figure came to minus $105 billion. Stock goes off the market in a number of ways: Some is bought back by corporations for treasury stock, some is gobbled up by going-private mergers.

The one factor that could hold off any corporate finance problems this year due to unbalanced balance sheets is found in inventories. The need for stock building, and financing, is easing off. This should greatly lessen short-term borrowing needs.



MERGERS

WHAT YOU SHOULD KNOW BEFORE YOU BUY

BY EDWIN W. BOWERS

After two years of study Justice has again changed the way it looks at mergers with the idea, it says, of helping businessmen better understand what the government considers when evaluating a proposed merger.

As the U.S. Congress adjourned in October at least one legislator vowed the next session will take up "the major issue of the fever pitch of corporate mergers." Rep. Mike Synar (D., Okla.), a member of the House Judiciary Committee, will first be seeking the dimensions of what he believes is a problem. But others are not so sure there is a problem.

To be sure, over the first five months of this year corporate acquisitions involving more than $50 billion in assets have taken place. In less than half of 1984 that is a total larger than all of 1983. And the number of transactions during the first quarter of this year rose 31 pct compared with the same period last year. This is a pace that does not always serve the nation's economy,

corporations or stockholders, Rep. Synar said.

"I haven't seen any increase in anti-competitive mergers," Frederick Rule, deputy assistant attorney general, told *Iron Age*. "I think the new corporate merger guidelines we issued have improved the climate, to some extent, for pro-competitive mergers."

It's probable the new merger guidelines issued by the Justice Department are at the heart of the matter. After two years of study Justice has again changed the way it looks at mergers with the idea, it says, of helping businessmen better understand what the government considers when evaluating a proposed merger.

Yet there are some critics who still pose the question: Are the new rules too vague? For support they cite the "indeterminate" way Justice arrived at its decision to approve the Republic Steel-LTV Corp. merger. The agency first disapproved the merger but later, after discussion and a compromise divesture plan, approved it.

"We would have reached the same conclusions in that case using the old guidelines or the new ones," said Attorney General William French Smith. "The difference, we believe, is under these latest guidelines businessmen will better understand how we came to our conclusions." He said they incorporate "very largely the same" legal principles and enforcement policies embodied in the 1982 guidelines. But three features of the new philosophy are being given greater prominence. First, Justice will generally apply the same market principles to foreign competitors that it applies to domestic companies. This, for the first time, puts imports in the government's definition of a relevant market for the purpose of analyzing the effects of existing restraints. "The prior guidelines," said Mr. Smith, "did not spell out in sufficient detail how imports and foreign capacity would be weighed in analyzing individual mergers."

"The presence in the marketplace of foreign firms frequently makes it impossible for American firms to collude because any attempt to fix prices will attract increased imports," the Justice Department said. "To the extent permitted by available data, market shares generally will be assigned to foreign firms in the same way they are assigned to domestic firms."

LTV-Republic—What the New Merger Guidelines Created

1983
(In Millions of Dollars)

	LTV	Republic	Total
Sales	$4,577	$2,700	$7,737
Net Earning	($180.7)	($326)	($625)
Operating Income Steel	($200)	($297)	($511)
Long Term Debt	$1,560	$822	$2,270
Steel Capacity	13.3 million tons	10.9 million tons	34.2 million tons
Pct of Industry	8.9 pct	7.2 pct	16.1 pct

Products—1983 Shipments (000) Totals

	J&L	Republic	Tonnage	Pct of Industry
Sheet & Strip	3,486.60	2,956.06	6,442.66	22
Bars*	639.21	1,051.58	1,690.79	20
Cold Rolled Stainless Sheet & Strip	37.5%	9.9%	—	47.4

*Bar, light structurals, stainless steel & other.

Alcan/Arco

Latest evidence of this new philosophy, observers say, is Justice's approval of a unique plan that allows Alcan Aluminium, Ltd. of Canada to acquire most of the aluminum producing assets of Atlantic Richfield Co. (Arco). Alcan will take over Arco's aluminum smelter in Sebree, Ky., will gain 25 pct of an alumina refinery in Ireland and acquire other U.S. aluminum rolling operations. However, the Canadian-based company will gain only 40 pct of Arco's rolling mill at Logan County, Ky., which has not yet begun full commercial operations. Arco will retain the other 60 pct of the plant with the ability to divest only with Justice Department approval. Also neither company could sell its share in the facility to any of the three leaders in the U.S. can-sheet market, Alcoa, Reynolds or Kaiser.

J. Paul McGrath, assistant attorney general for antitrust, said, "This should not be viewed as a precedent for the settlement of future cases."

Secondly, the department will take into account economic efficiency claims from a proposed merger in considering whether to approve it. Efficiency claims when "established by clear and convincing evidence," Justice said, "will be given "appropriate weight" in merger appropriate weight" in merger approval deliberations. However, the new guidelines point out that efficiencies "do not constitute a defense to an otherwise anti-competitive merger, but are one of many factors that will be considered by the department in determining whether to challenge a merger." There are various types of efficiencies that can be achieved such as plant specialization, economies of scale, better integration of production facilities and lower transportation costs. They will be given due consideration, Mr. Smith said. But, for purposes of justifying a merger, those may be very difficult to demonstrate, Justice said.

Finally, the Justice Department is seeking to retain but tone down the famous Herfindahl Index. That formula, where you square the market shares of companies in an industry and add them together to get a general competition index, will be kept, but will not be the sole basis for deciding whether a merger is anti-competitive or not. "We do not plug numbers into some magical formula and wait for a computer to decide whether to challenge a merger," said Mr. Smith. "We will not make important merger decisions on the basis of numbers alone."

"Another factor that will be considered," said Mr. Rule, "is ease of entry or, if you will, barriers to entry, the extent to which firms outside the market

can readily enter the market and, therefore, serve as a buffer against any anti-competitive abuse."

The new guidelines say: "If entry into a market is so easy that existing competitors could not succeed in raising price for any significant period of time, the department is unlikely to challenge mergers in that market. The more difficult entry into the market is, the more likely the department is to challenge the merger."

Another factor, Mr. Rule said, that could be relevant would be financial condition of one company or another, perhaps not completely failing, but very weak; whether or not that indicates something about the underlying competitive significance of one or the other of the merging parties if they tried to go it alone. In other words, it might not be failing, but you might be able to tell, based on its financial condition, that if it was independent for very much longer, it would continue to diminish as a competitive factor in the market and that would have an effect on the merger analysis we would do."

Failing Firm

The latest guidelines retain the 1982 criteria whereby under "failing firm" a merger is unlikely to be challenged. They are: If the allegedly failing firm probably would be unable to meet its financial obligations in the near future; it probably would not be able to reorganize successfully under Chapter 11; and, it has made unsuccessful good faith efforts to elicit reasonable alternative offers of acquisition of the failing firm that would both keep it in the market and pose a less severe danger to competition than does the proposed merger. Justice characterizes the failing firm defense as "ambiguous" although "long-established." Such a plea, the government said, "can immunize significantly anti-competitive mergers." Thus, the department will interpret its elements "strictly."

A new section of the 1984 guidelines requires the department to consider factors that may deflate or inflate a company's current market share compared to its future. If, for example, a company lacked the capital to upgrade its plants, the government view would be that company's market share is likely to decline. That would be taken into consideration in ruling on a merger.

(Cont. on p. 75)

The ALCAN/ARCO Plan—A New Philosophy In Mergers

Alcan Aluminum Corp.

(The Cleveland-based subsidiary of Alcan Aluminum Ltd. of Montreal)

FIVE DIVISIONS:

ALCAN INGOT & POWDERS DIV.

Products: Primary aluminum ingot (from parent smelters in Canada)
Secondary foundry ingot
Metal powders and pigments
Aluminum-based chemicals (from parent plants in Canada)

Plants: Union, N.J., Berkeley, Calif., Joliet, Ill.—powders and pastes—Joliet, Ill., and Greensboro, Ga.—secondary aluminum

ALCAN SHEET & PLATE DIV.

Products: Canstock, finstock, autobody sheet and other flat-rolled items

Plants: Oswego, N.Y.—cold rolling, hot-rolling, secondary recovery

Warren, Ohio—coated and embossed sheet for building industry, auto trim, appliance bright sheet

Fairmont, W. Va.—finstock, cookware blanks

ALCAN CABLE DIV.

Products: electrical conductor products for utility, industrial, commercial and residential markets.

Plants: Bay St. Louis, Miss.
Sedalia, Mo.
Williamsport, Pa.

ALCAN BUILDING PRODUCTS DIV.

Products: Aluminum windows, siding, roofing, ceiling systems

Plants: Bradenton, Fla., Charlotte, N.C., Gridley, Ill., Idabel, Okla., Jackson, Ga., Lancaster, Pa., Rome, Ga.; Woodbridge, N.J.

METAL GOODS DIV.

Metal service centers/distributors in 26 cities coast-to-coast

Arco Aluminum

(A unit of Arco Metals Co., a division of Atlantic Richfield Corp.)

Plants:

Sebree, Ky.—primary aluminum smelter 180,000 tons annual capacity
Columbia Falls, Mont.—primary aluminum smelter 180,000 tons annual capacity
Logan County, Ky.—rolling mill, canstock and other flat-rolled products
Terre Haute, Ind.—rolling mill, canstock and other flat-rolled products
Louisville, Ky.—rolling mill, flat rolled products and packaging products
Bridgeton, N.J.—extrusions
Olive Branch, Miss.—extrusions
Auguinish, Ireland—alumina (25 pct interest)

After the two acquisitions are finalized:

Alcan gets 40 pct interest in the Logan County plant.

Alcan gets: Sebree, Ky. smelter
Terre Haute rolling mill
Louisville, Ky. rolling mill
Arco's 25 pct interest in the Auguinish Facility.

Arco retains the Columbia Falls smelter and the extrusion units, but Atlantic Richfield is trying to sell them too.

Arco also keeps 60 pct of Logan.

Logan will be managed by an independent company represented proportionally by the two companies.

But if a company had exclusive use of new technology that could win it a large future market share, it's current market share would, in effect, be an understatement because of future prospects. That, too, would be relevant in merger deliberations.

When the new guidelines were announced former Antitrust Division Chief William Baxter said they will make the department more vulnerable to pro-merger political pressures. But, said Mr. Rule, that criticism is based on an inference that because Justice is being more open revealing what factors it intends to take into consideration when doing merger analysis more people with more axes to grind will be able to gain influence at the department. Mr. Rule said he does not believe that to be the case.

"It really depends on the people who happen to be in the department at the time and what the relationships are. We have a job and a duty and a responsibility to prevent anti-competitive mergers and we have to enforce that and live up to that responsibility."

Mr. Smith said the guidelines "should improve the predictability of the department's merger enforcement policy. It is not possible to remove the exercise of judgment from the evaluation of mergers under the antitrust laws," he conceded.

"The clarity in these latest guidelines," said Mr. Rule, "is that in our view they more accurately reflect the analysis we undertake when evaluating a proposed merger.

The guidelines assert the government will be more likely to challenge a proposed merger in a market that is "performing noncompetitively." In such a market, Justice said, the appearance is that firms "already have succeeded in overcoming, at least to some extent, the obstacle to effective collusion." Thus, the guidelines say, increased concentration through a merger could further facilitate the collusion that already exists. □

Merger Mania—Will the New Rules Improve the Climate for Pro-Competitive Mergers?

Dates	Fiscal Year	Merger Cases Submitted	Investigated Further	Approved
Oct. '78-Oct. '79	'79	868	102	766
Oct. '79-Oct. '80	'80	824	56	768
Oct. '80-Oct. '81	'81	1,006	66	940
Oct. '81-Oct. '82	'82	1,204	56	1,148
Oct. '82-Oct. '83	'83	1,101	62	1,039
Oct. '83-Present	'84	630	40	590

What business does a handsome dog like me have with a top cat like you?

My name's McGruff, and it's my business to help prevent crime. I think it should be your business, too—to teach your employees how to protect themselves. Just send for my business kit—it'll help you develop a program that teaches your employees how to make their homes burglar-proof, make their neighborhoods safer, even how not to get mugged.

So take the time, and...

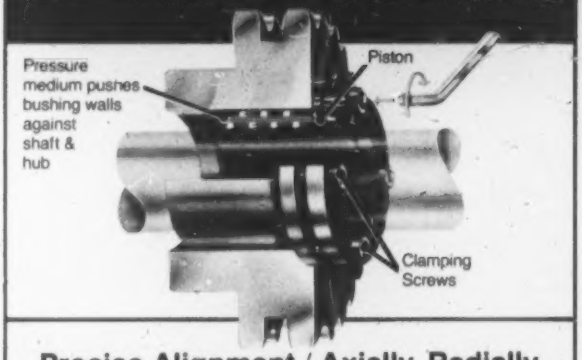
TAKE A BITE OUT OF CRIME

Write to McGruff, Crime Prevention Coalition, 20 Banta Place, Hackensack, NJ 07601 for lots of information on Crime Prevention.

A message from the Crime Prevention Coalition, this publication and The Ad Council.
© 1980 The Advertising Council, Inc.

New Design Concept:

ETP Shaft-Lock Bushing



Precise Alignment / Axially, Radially

A precision locking system! ETP's innovative design locks bushing to hub with powerful friction grip. Easy to align, axially and radially. Cost effective.

ETP is a double-walled sleeve closed one end and filled with pressure medium, retained by a sealing ring and a thrust ring which acts as a piston. Tightening clamping screws expands bushing walls in all directions and locks hub to shaft. Loosen screws for easy removal. Sizes from ¾" to 4"; also 15 mm to 100 mm. For details contact:

Eagle-Picher Bearings, Customer Service Dept., 715 Spencer St., P.O. Box 407, Toledo, OH 43692. 419-381-6811.

EAGLE PICHER BEARINGS

We Make All The Bronzes . .

. . from the furnace to finished product.

For Information, Circle 162

3rd QUARTER EARNINGS

PRODUCERS ARE STILL WAITING FOR AN UPTURN

BY GEORGE MCMANUS & ROBERT REGAN

Steel

The steel industry lost more than a quarter of a billion dollars in the third quarter of 1984.

The aggregate loss would have been greater had it not been for the profit United States Steel Corp. derived from Marathon Oil.

Of the six largest mills, losses were reported by four: Bethlehem Steel Corp., Armco, Inc., National Intergroup, Inc., and LTV Corp.

The only positive thing about the quarter was that it indicated a potential for future profitability. With production down near 50 pct of capacity, U.S. Steel made a little money on steel operations in the third quarter. Bethlehem and Inland also had small operating profits.

The harsh cutbacks of the past three years have clearly lowered steelmaking costs. If prices and shipments ever rise to normal levels, there could be spectacular steel profits.

Unhappily, all movement was downward in the third quarter. The usual seasonal lag was compounded by continued heavy imports, inventory cutting of service centers, and uncertainty about an auto strike. All these negative factors were imports on a steel market that was only fair to start with.

The result was that steel shipments fell from a mediocre 20 million tons in the second quarter to a little over 17 million tons in the third quarter. Steel prices, which had started to firm in the first half, went into another nosedive.

"You have a lot of capacity chasing fewer orders," said David M. Roderick, chairman of U.S. Steel. "The price competition in this industry is horrendous. Prices are back where they were in the 1981-82 period."

Mr. Roderick deplored the tactics of some competitors and warned that his company intended to defend its market turf. "U.S. Steel is going to be competitive," he said.

He expressed hope that the Reagan import program would roll back imports and thereby add as much as 10 million tons to 1985 shipments of domestic mills.

Both Bethlehem and U.S. Steel benefitted from pension fund adjustments. For U.S. Steel, the adjustment reduced operating costs by $135 million in the third quarter. Bethlehem had a third quarter cost reduction of $32 million.

Weirton Steel Corp. continued as a star performer in the third quarter. Weirton's profit of $15.8 million in the quarter was second only to U.S. Steel's. Weirton's 6.1 pct return on sales was topped by the 7.1 pct of Nucor Corp.

"Considering the downward market slide, third quarter profit was respectable," said Robert L. Loughhead, president of Weirton.

Interlake Inc. also continued its winning ways. Interlake's third quarter profit of $10.1 million came to 4.3 pct of sales. Operating without blast furnaces or oxygen vessels, CF&I Steel Corp. earned $3.4 million.

The new combine, LTV Steel, wasn't off to a rousing start in the third quarter. There was an operating loss of $35.4 million for the steel group. With interest and corporate office expense subtracting $72.4 million, the net loss for the parent company, LTV Corp., was nearly $80 million.

In reporting the loss, LTV announced it had suspended the payments of dividentds on common stock. A meeting of debenture owners was called to secure permission to continue payment of preferred stock dividends.

This gloomy situation didn't discourage all investors. "We maintain our purchase recommendation on the shares of LTV Corp.," said Michelle Applebaum of Salomon Brothers (Oct.8).

Armco Inc. has more bad news for shareholders. Armco had a net loss of $272.7 million in the third quarter. Most of this was due to special charges of $205 million on oilfield equipment. Another $40 million was lost on finance and leasing businesses, which were discontinued in the third quarter. Armco's operating loss before taxes and all the special charges was $22.7 million.

Inland Steel Co. had a third quarter net loss of $37.9 million. Most of the loss was due to special charges of $25.4 million. Inland had an operating profit of $3.6 million in the third quarter.

Wheeling-Pittsburgh Steel Corp. had a net loss of $9.9 million in the third quarter. "Depressed operating levels, and reduced sales volume along with substantial price discounting, resulted in losses for the third quarter and the first nine months," said Dennis J. Carney, chairman of Wheeling-Pittsburgh.

The effect of price cutting was shown when Wheeling-Pittsburgh's sales increased only 45 pct in the first nine months while shipments rose 57 pct.

Nonferrous

There wasn't much to write home about in the third quarter showing of leading nonferrous metals companies. Gainers outnumbered losers by about two to one in the profits column and sales were up for all but a few, but rates of return on sales or investment remained below par. (Cont. on p.81)

The aluminum companies continued to have a better time of it than the copper and nickel producers, although in most cases third quarter results were below the previous period. Primary aluminum prices softened in the third quarter, dampening pricing sentiment in some mill product lines along the way, and a considerable chunk in the reported rate of increase in consumption of aluminum products was absorbed by a high rate of imports drawn here by the strong U.S. dollar.

North America's four largest aluminum companies, Aluminum Co. of America, Alcan Aluminum Ltd., Reynolds Metals Co. and Kaiser Aluminum & Chemical corp., showed a 6.8 pct increase in aggregate sales to $4.56 billion, but their aggregate shipments were off 6.2 pct to 1.46 million short tons. Kaiser Aluminum, the only one of the four to show increased third quarter shipments, was the only one with a third quarter net loss. Alumax Inc., owned by Amax Inc. and Japanese interests, showed higher third quarter profits reflecting a non-recurring adjustment to DISC deferred income taxes. Revere Copper & Brass said its aluminum mill product sector was the principal contributor to third quarter operating net income, particularly the Scottsboro aluminum sheet mill, which operated at a loss in the third quarter last year.

Alcoa said ingot prices were down nearly 38 pct in the third quarter and price softening on some common alloy aluminum products sold maintly to the automotive and housing industries was continuing. The company also said these items came under strong pressure from imports, particularly sheet and plate. Alcoa said it expected continued strong demand for aluminum overall, which may help ease the pressure on prices. Ingot prices began strengthening on the international market as the fourth quarter got under way, reflecting mainly extension of production cutting from the U.S. to other countries, notably Canada.

Alcan said a drop in profits from second quarter levels reflected lower margins on sales of fabricated items and an 11 pct drop in average ingot product realizations. It said the largest erosion of earnings was in its North American operations.

Asarco and Phelps Dodge found that most of the fundamentals for copper continued to improve in the third quarter—except the copper price. Phelps Dodge said the softer tone to copper prices in the third quarter took place despite strong demand and reductions in copper inventories, which it said still were above normal levels. Asarco noted that hedge market stocks were down about 45 pct from their peak in January 1984, but copper prices fell in September to their lowest level since the recession began. The company said the September drop also reflected the adverse decision by the Reagan Administration on the producers' drive for import relief and the strong U.S. dollar.

Amax said an improvement in pretax earnings reflected reduced molybdenum losses because of reduced production costs and better shipping volume. Higher sales of molybdenum, iron ore and agricultural chemicals were mainly offset by decreased sales of copper, lead and zinc, Amax said.

Inco Ltd. narrowed its loss to $31.6 million from $61.3 million in the third quarter last year through reduced units costs in both primary metals and alloy products operations. Shipments of nickel and copper were higher, as were deliveries of platinum group metals, silver and cobalt. Inco said its inventory of finished nickel edged up to 85 million lbs at the end of the third quarter from 83 million lbs at the start of the year, but has been as high as 94 million lbs at midyear.

Falconbridge Ltd. had operating income of $3.4 million, compared with an operating loss of $1.8 million in the third quarter last year. An extraordinary gain of $28.4 million from a gain on the sale of stock in Superior Oil Co. and a tax-loss carry-forward pushed the company's third quarter net income up to $31.8 million from $14.8 million in the same period last year, which included a non-recurring gain of $14.8 million on a stock transaction.

Please turn to page 82 for an earnings statement of ferrous and nonferrous industries. □

IN SOME COUNTRIES, ECONOMY MEANS MAKING ONE BOWL OF RICE LAST THREE DAYS.

Right now Protestant, Catholic, and Jewish relief and development agencies are working together with people in 90 countries. Your business can help them bring new life to a hungry world.

YOU ARE THE HOPE OF THE HUNGRY.

Interfaith Hunger Appeal, P.O. Box 1000 FDR Station, New York, NY 10150

PLEASE GIVE.

A public service of Catholic Relief Services, Church World Service, the American Jewish Joint Distribution Committee, Inc., this magazine, and the Advertising Council.

STEEL TAKES A DRUBBING

THIRD QUARTER PROFIT REPORT—1984 (In Millions of Dollars)

	EARNINGS				SALES		
	1984 E/S	3rd Quarter 1984	3rd Quarter 1983	Pct Change	3rd Quarter 1984	3rd Quarter 1983	Pct Change
USS	3.2	$153.00	$ 52.00	+194	$4,728.00	$4,597.00	+2.8%
BETHLEHEM	—	(17.40)	(42.90)	—	1,363.50	1,221.80	+12%
ARMCO	—	(272.70)	(421.50)	—	1,141.50	1,030.50	+11%
NATIONAL	1.4	7.57	18.21	−58	548.38	678.56	−19%
INLAND	—	(37.93)	(21.25)	—	800.17	761.16	+5%
LTV	—	(79.80)	(49.70)	—	2,049.90	1,173.70	+75%
TOTAL	—	(247.26)	(465.14)	—	10,631.45	9,462.72	+12%
CYCLOPS	1.4	4.22	(2.17)	—	302.54	259.54	+17%
WHEEL-PGH	—	(9.91)	(9.89)	—	260.02	186.71	+39%
WEIRTON	6.2	15.84	—	—	256.11	—	—
INTERLAKE	4.3	10.14	6.82	+49	236.64	201.32	+18%
CARPENTER	2.9	3.62	2.69	+35	126.74	102.70	+23%
COPPERWELD	—	(1.97)	(6.51)	—	108.86	80.74	+35%
LUKENS	1.3	1.33	(4.73)	—	102.60	85.07	+21%
QUANEX	2.0	2.03	(0.11)	—	99.84	76.20	+31%
CF&I	4.2	3.40	(13.02)	—	80.53	62.51	+29%
LACLEDE	2.4	1.37	1.09	+26	55.93	48.96	+14%
EASTMET	—	(7.93)	(3.51)	—	52.23	47.61	+9.7%
PHOENIX	—	(0.94)	(6.16)	—	30.82	25.75	+20%
FLORIDA	2.2	1.65	(1.25)	—	73.73	65.21	+13%
NUCOR	7.1	11.77	7.36	+60	165.52	145.19	+14%

NONFERROUS FAILS TO SHINE

THIRD QUARTER PROFIT—1984 (In Millions of Dollars)

( ) = Denotes Loss

	Earnings			Sales and Other Revenues		
	3rd Q 1984	3rd Q 1983	Pct Chg.	3rd Q 1984	3rd Q 1983	Pct Chg.
ALCAN	$52.0	$27.0	+92.5	$1,348.0	$1,323.0	+1.9
ALCOA	60.1	57.7	+4.3	1,429.1	1,393.7	+2.5
ALUMAX	33.0	25.0	32.0	457.0	416.0	+9.9
AMAX	3.1	(52.2)	—	559.5	548.5	+2.0
ASARCO	(10.1)	2.9	—	287.2	386.8	−25.7
BRUSH WELLMAN	10.9	6.4	+71.5	78.2	61.1	+28.0
CALLAHAN MINING	(0.2)	1.4	—	4.5	7.3	−38.8
COMINCO	4.0	(17.7)	—	403.0	305.9	+31.7
ENGLEHARD	25.8	19.1	+35.5	619.9	397.1	+56.1
FALCONBRIDGE LTD.	31.8	13.0	+144.8	185.5	145.5	+27.5
FREEPORT MCMORAN	21.3	28.5	−25.2	205.3	194.7	+5.5
INCO LTD.	(31.6)	(61.3)	—	323.0	265.0	+21.9
KAISER ALUMINUM	(73.2)	(36.8)	—	840.3	655.3	+28.2
MARTIN MARIETTA	(324.0)	33.1	—	1,005.6	810.9	+24.0
NEWMONT MINING	12.2	16.8	−27.1	200.1	191.2	+4.6
NORANDA	(49.1)	(7.3)	—	814.9	788.1	+3.4
OLIN CORP.	16.3	12.0	+25.8	497.6	486.3	+2.3
OREGON MET	1.6	(0.2)	—	13.9	6.1	+127.9
PHELPS DODGE	(24.5)	(28.4)	—	205.6	236.9	−13.2
REVERE	10.4	3.1	+232.4	144.9	121.5	+19.3
REYNOLDS METALS	39.3	17.9	+119.6	940.7	893.9	+5.2
VULCAN MATERIALS	28.7	20.7	+38.3	266.9	233.8	+14.1

Alcan Aluminum Ltd.: Results for the '84 period include an after-tax provision of $5.3 million for planned rationalization of extrusion operations in Canada. **Aluminum Co. of America**: Results for the '84 period include LIFO inventory profits of $16.5 million and an extraordinary gain of $9.7 million from the exchange of common stock for sinking fund debentures. **Alumax Inc.**: Net for the '84 period includes a non-recurring $14.3 million adjustment to the Domestic International Sales Corp. (DISC) deferred income taxes as a result of new federal legislation. **Amax Inc.**: Results for the '84 period include gains of $9 million on sales of interest rate swaps. Pretax earnings from operations were $48 million, compared with $1 million in the '83 period. **Cominco Ltd.**: Canadian funds. **Falconbridge Ltd.**: Canadian funds. Net income includes an extraordinary gain of $28.4 million in the '84 period from sale of Superior Oil Co. stock and tax-loss carry-forward and $14.8 million in the '83 period from sale of shares by a subsidiary. **Kaiser Aluminum & Chemical Corp.**: Net losses include losses from discontinued operations totaling $60.7 million in the '84 period and $17.8 million in the '83 period. **Martin Marietta Corp.**: Net for the '84 period includes $369.5 million loss from discontinued operations. Results for the '83 period includes $5.8 million gain from sale of assets. **Noranda Inc.**: Canadian funds. **Revere Copper & Brass Inc.**: Net for the '83 period includes a $462,000 credit from a tax-loss carryforward. **Reynolds Metals Co.**: Net for the '84 period includes a charge of $11.6 million from shutdown of certain facilities.

PRICE & PRODUCTION DATA

(Effective November 5, 1984)

Steel production by districts, thousands of tons (000 omitted)

	Last Week	Two Weeks Ago	Month Ago	Year Ago
North East Coast	128	129	135	179
Pittsburgh	182	201	204	233
Youngstown	89	95	95	112
Lake Erie	127	134	145	142
Detroit	130	137	130	138
Chicago	412	432	344	497
Cincinnati	81	80	82	76
St. Louis	72	64	76	75
Southern	164	171	151	139
Western	67	74	65	73
U.S. Production	1,452	1,517	1,427	1,673

Source: American Iron & Steel Institute

Lake Superior Ore Prices

51.50% Fe Natural delivered lower Lake ports. Rail transportation, handling and unloading may be charged to the account of the buyer. Coarse ore 80¢ premium.

Pellets (per iron unit natural).....gross-ton 80.50-86.9*
Mesabi, regular-unscreened .....gross-ton $32.53
Mesabi, non-bessemer.....gross-ton $30.03-31.53**

*80.50¢—Pickands Mather as of 1/27/81.
86.9¢—U. S. Steel as of 3/15/82. Cleveland-Cliffs as of 2/26/82, Oglebay Norton as of 3/25/82, and Hanna Mining as of 2/26/82.
**Effective 6/1/83.

STEEL PRODUCTION, COMPOSITE PRICES

(Effective November 5, 1984)

U.S. Steel Production	Last Week	Two Weeks Ago	To Date 1984	To Date 1983
Net tons, in thousands	1,452	1,517	79,131	69,144
Capability Utilization Rate	56.1	58.6	69.5	54.4

Composite Prices	This Week	Week Ago	Month Ago	Year Ago
Finished Steel Base* (¢/lb.—eff. 7/1/84)	27.582	27.582	27.582	26.822
Pig Iron* * (Net ton=2000 lbs.)	$213.00	$213.00	$213.00	$213.00
Scrap No. 1 hvy.* * * (Gross ton=2240 lbs.)	$ 79.50	$ 80.50	$ 83.50	$ 73.17
No. 2 bundles	$ 50.83	$ 50.83	$ 51.50	$ 47.50

Scrap Comparison (Gross Ton)

No. 1 steel, Pittsburgh..	$ 81.50	$ 84.50	$ 88.50	$ 84.50
No. 1 steel, Philadelphia ..	76.50	78.50	80.50	73.50
No. 1 steel, Chicago.....	80.50	78.50	81.50	79.50
No. 1 bundles, Detroit	64.50	65.50	75.50	81.50
Low Phos., Youngstown ..	72.50	72.50	78.50	84.50
No. 1 mach'y cast., Pgh...	66.50	66.50	71.50	74.50
No. 1 mach'y cast., Phila .	98.50	98.50	98.50	95.50
No. 1 mach'y cast., Chi..	110.50	110.50	113.50	109.50

*Finished Steel Composite: Weighted index of steel bars, shapes, plates, wire, rails, black pipe, hot and cold rolled sheets and strips.
* *Pig Iron Composite: Based on average prices for basic and foundry pig iron at representative producing points within the U.S.
* * *Steel Scrap Composite: Average of No. 1 hvy. melting steel scrap and No. 2 bundles delivered to consumers at Pittsburgh, Philadelphia and Chicago.

NONFERROUS PRICES

(Effective November 5, 1984) Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated.

Primary Metal Prices

(cents per lb.)	current price	last price	date of change
Aluminum (LME)	50.94	48.85	11/5/84
Copper (C)	65.00-67.00	64.00-65.00	11/2/84
Lead	23.00-26.00	22.00-26.00	11/1/84
Magnesium Ingot	148.00	143.00	5/25/84
Nickel (LME)	216.54	217.81	11/5/84
Titanium Sponge	555.00-585.00	555.00	4/29/82
Zinc	45.00	45.00-48.00	9/21/84

ALUMINUM: Avg. for last week & previous week. COPPER (C) = cathode. LEAD: common grade. MAGNESIUM: 99.8% pig, delivered. NICKEL: Avg. for last week & previous week. Canada. ZINC: high grade.

Antimony, American Laredo, Texas	$2.00
Beryllium-aluminum 5% Be, per lb. contained Be	$230.00
Beryllium-copper, per lb. cont. Be	$140.00
Beryllium 97% powder 200	$178.00
Cadmium, ton lots	$1.55
Calcium, ton lots, crown	$3.58
Chromium, 99.8%	$3.75
Cobalt, 99%, cathode	$12.50
Gold per troy oz.	$342.45
Indium, dollars per troy oz.	$3.30
Iridium, dollars per troy oz.	$450
Magnesium sticks, 10,000 lbs.	$1.97
Mercury, per 76-lb. f.o.b. N.Y.	$327-$335
Molybdenum, lb. tech. moly oxides, 20 lb. MO can	$6.85
Nickel electro (PDCR)	$3.29
Palladium, per troy oz.	$141
Platinum, per troy oz.	$322
Rhodium, per troy oz.	$800
Silver ingots, per troy oz.	$7.59
Vanadium	$6.00
Zirconium sponge	$12.00-$17.00

(Per lb. unless otherwise noted)

Straits Tin Price

(U.S. cents per lb, EX-SMELTER, based on daily market in Penang in Malaysian dollars per kilo.)

Oct. 29—550.05 Nov. 1—552.03
Oct. 30—550.05 Nov. 2—555.95
Oct. 31—550.18

Scrap Prices
Brass Mill Scrap

(Cents per lb; over 20,000 lbs. add 1¢ per lb)

	Solids	Turning
Copper	57½	56½
Yellow brass	53¾	54
Red brass	54⅝	53¾
Comm. bronze	54⅝	53¾
Mang. bronze	55	53½
Free cutting rod ends	56¾	48

Custom Smelters Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	55
No. 2 copper wire	46
Light copper	37

Ingot Makers Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	51
No. 2 copper wire	42
Light copper	33
No. 1 composition	45
No. 1 comp. turnings	42
Hvy. yellow brass solids	34
Hvy. yellow brass turnings	31
Radiators	37

Aluminum

New mixed clips	34	—35
Old sheet	32	—33
Old cast	32	—33
Clean dry borings	32	—33

Dealers' Scrap

(Dealers' buying price f.o.b. New York in cents per pound)

Aluminum

Segregated clippings	27	—29
Mixed L.C. clips	24	—26
Old sheets and cast	22	—23
Borings and turnings	18	—20
Duraluminum clippings	24	—25

Copper and Brass

No. 1 copper wire	42	—43
No. 2 copper wire	34	—35
Light copper	29	—30
Radiators	31	—32
No. 1 composition	40	—41
No. 1 composition turn'gs	37	—38
Cocks and faucets	27	—28
Clean heavy yellow brass	28	—29
Brass Pipe	29	—30
New soft brass clippings	41	—42

Lead

Heavy soft lead	9	—10
Whole batteries	3	— 4
Type metal	16	—17
Electrotype	13	—14

Nickel

Nickel solids	115	—120
Nickel rod ends	115	—120
Nickel sheets, clips	115	—120
Nickel turnings	40	— 45

Zinc

New zinc clippings	18	— 19
Old diecast zinc	14	— 15

EFFECTIVE NOV. 5, 1984

(Effective November 5, 1984) Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated. Prices are the opinions of *Iron Age* editors and correspondents, based on contacts with dealers, brokers, generators and users in the industry on the effective date listed above.

Ferrous Scrap Prices

Pittsburgh

No. 1 hvy. melting	$ 81.00	to	$ 82.00
No. 2 hvy. melting	71.00	to	72.00
No. 1 dealer bundles	94.00	to	95.00
No. 1 factory bundles (auto)	89.00	to	90.00
No. 2 bundles	52.00	to	53.00
No. 1 busheling	89.00	to	90.00
Machine shop turn.	10.00	to	11.00
Shoveling turnings	51.00	to	52.00
Cast iron borings	49.00	to	50.00
Low phos. punchings plate	99.00	to	100.00
Heavy turnings	71.00	to	72.00
No. 1 RR hvy. melting	90.00	to	91.00
Rails 2 ft. and under	105.00	to	106.00
Scrap rails, random lgth.	96.00	to	97.00
RR specialties	102.00	to	103.00
No. 1 machinery cast	66.00	to	67.00
Cupola cast	59.00	to	60.00
Heavy breakable cast	30.00	to	31.00
Stainless			
18-8 bundles and solids	560.00	to	570.00
18-8 turnings	460.00	to	470.00

Chicago

No. 1 hvy. melting	$ 80.00	to	$ 81.00
No. 2 hvy. melting	74.00	to	75.00
No. 1 dealer bundles	90.00	to	91.00
No. 1 factory bundles (auto)	89.00	to	90.00
No. 2 dealer bundles	51.00	to	52.00
No. 1 busheling	91.00	to	92.00
Shredder scrap	91.00	to	92.00
Machine shop turn.	43.00	to	44.00
Mixed bor. and turn.	44.00	to	45.00
Shoveling turnings	48.00	to	49.00
Cast iron borings	48.00	to	49.00
Low phos. forge crop	114.00	to	115.00
Low phos. punchings plate ⅛ in. and heavier	124.00	to	125.00
Low phos. 2 ft. and under	119.00	to	120.00
No. 1 RR hvy. melting	86.00	to	87.00
Scrap rails, random lgth.	88.00	to	89.00
Reroller rails	99.00	to	100.00
Rails, 2 ft. and under	113.00	to	114.00
RR couplers and knuckles	90.00	to	91.00
RR car axles	123.00	to	124.00
No. 1 machinery cast	110.00	to	111.00
Cupola cast	99.00	to	100.00
Stove plate	94.00	to	95.00
Steel car wheels	100.00	to	101.00
Stainless			
18-8 bundles and solids	490.00	to	500.00
18-8 turnings	420.00	to	430.00
430 bundles and solids	120.00	to	125.00
430 turnings	80.00	to	90.00

Philadelphia

No. 1 hvy. melting	$ 75.00	to	$ 78.00
No. 2 hvy. melting	68.00	to	71.00
No. 1 dealer bundles	90.00	to	93.00
No. 2 dealer bundles	47.00	to	50.00
No. 1 busheling	90.00	to	93.00
Shredder scrap	95.00	to	98.00
Machine shop turn.	29.00	to	32.00
Mixed bor. and turn.	29.00	to	32.00
Shoveling turnings	38.00	to	41.00
Low phos. 5 ft. and under	87.00	to	90.00
Low phos. 2 ft. punchings	112.00	to	115.00
Electric furnace bundles	95.00	to	98.00
RR specialties	93.00	to	96.00
Rails, 2 ft. and under	113.00	to	116.00
Cupola cast	78.00	to	81.00
Heavy breakable cast	57.00	to	60.00
No. 1 machinery cast	97.00	to	100.00

Detroit

Broker buying prices per gross ton on cars:

No. 1 hvy. melting	$ 52.00	to	$ 53.00
No. 2 hvy. melting	51.00	to	52.00
No. 1 dealer bundles	84.00	to	85.00
No. 2 bundles	34.00	to	35.00
No. 1 busheling	83.00	to	84.00
Drop forge flashings	40.00	to	41.00
Machine shop turn.	44.00	to	45.00
Mixed borings and turn.	21.00	to	22.00
Shoveling turnings	45.00	to	46.00
Cast iron borings	31.00	to	32.00
Heavy breakable cast	40.00	to	41.00
Mixed cupola cast	56.00	to	57.00
Automobile cast	80.00	to	81.00
Stainless			
18-8 bundles and solids	485.00	to	495.00
18-8 turnings	360.00	to	370.00
430 bundles and solids	110.00	to	120.00

Youngstown

No. 1 hvy. melting	$ 59.00	to	$ 62.00
No. 2 hvy. melting	42.00	to	45.00
No. 1 dealer bundles	71.00	to	74.00
No. 2 dealer bundles	35.00	to	38.00
Machine shop turn.	11.00	to	14.00
Shoveling turnings	16.00	to	19.00
Low phos. plate	71.00	to	74.00
Electric furnace bundles	69.00	to	72.00
Galvanized bundles	59.00	to	62.00

Cleveland

No. 1 hvy. melting	$ 53.00	to	$ 56.00
No. 2 hvy. melting	37.00	to	40.00
No. 1 dealer bundles	65.00	to	68.00
No. 1 factory bundles	77.00	to	80.00
No. 2 bundles	19.00	to	22.00
No. 1 busheling	67.00	to	70.00
Machine shop turn.	6.00	to	9.00
Mixed bor. and turn.	6.00	to	9.00
Shoveling turnings	7.00	to	10.00
Cast iron borings	10.00	to	13.00
Cut structural & plates, 2 ft. and under	100.00	to	103.00
Low phos. punchings plate	100.00	to	103.00
Drop forge flashings	35.00	to	38.00
Foundry steel, 2 ft. & under	57.00	to	60.00
No. 1 RR hvy melting	75.00	to	78.00
Rails, 2 ft. and under	105.00	to	108.00
Rails, 18 in. and under	106.00	to	109.00
Steel axle turnings	56.00	to	59.00
Railroad cast	88.00	to	91.00
No. 1 machinery cast	98.00	to	101.00
Cupola cast	55.00	to	58.00
Stove plate	41.00	to	44.00
Stainless			
18-8 bundles	375.00	to	385.00
18-8 turnings	325.00	to	335.00
430 bundles	80.00	to	85.00

Buffalo

Broker buying prices per gross ton on cars:

No. 1 hvy. melting	$ 62.00	to	$ 63.00
No. 2 hvy. melting	51.00	to	52.00
No. 1 busheling	77.00	to	78.00
No. 1 dealer bundles	76.00	to	77.00
No. 2 bundles	36.00	to	37.00
Machine shop turn.	12.00	to	13.00
Mixed bor. and turn.	11.00	to	12.00
Shoveling turnings	15.00	to	16.00
Cast iron borings	20.00	to	21.00
Low phos. plate	92.00	to	93.00
Structural and plate, 2 ft. and under	95.00	to	96.00
Rails, 2 ft. and under	95.00	to	96.00
Scrap rails, random lgth.	72.00	to	73.00
No. 1 machinery cast	78.00	to	79.00
No. 1 cupola cast	58.00	to	59.00

St. Louis

No. 1 hvy. melting	$ 62.00	to	$ 63.00
No. 2 hvy. melting	51.00	to	52.00
Foundry steel, 2 ft.	62.00	to	63.00
No. 1 dealer bundles	62.00	to	63.00
No. 2 bundles	46.00	to	47.00
Machine shop turn.	17.00	to	18.00
Shoveling turnings	23.00	to	24.00
Cast iron borings	27.00	to	28.00
No. 1 RR hvy. melting	62.00	to	63.00
Rails, random length	67.00	to	68.00
Rails, 18 in. and under	85.00	to	86.00
RR specialties	82.00	to	83.00
Cupola cast	72.00	to	73.00
Heavy breakable cast	50.00	to	51.00
Stove plate	83.00	to	84.00
Steel car wheels	96.00	to	97.00
Rerolling rails	80.00	to	81.00
Unstripped motor blocks	61.00	to	62.00

Birmingham

No. 1 heavy melting	$ 70.00	to	$ 71.00
No. 2 heavy melting	65.00	to	66.00
No. 1 dealer bundles	71.00	to	72.00
No. 2 bundles	49.00	to	50.00
No. 1 busheling	71.00	to	72.00
Shredder scrap	94.00	to	95.00
Machine shop. turn.	23.00	to	24.00
Shoveling turnings	38.00	to	39.00
Cast iron borings	38.00	to	39.00
Electric furnace bundles	68.00	to	69.00
Elec. furnace, 3 ft. & under	70.00	to	71.00
Structural and plate, 2 ft.	99.00	to	100.00
Structural and plate, 4 ft.	89.00	to	90.00
No. 1 RR hvy. melting	89.00	to	90.00
Scrap rails, random lgth.	85.00	to	86.00
Rails, 2 ft. and under	103.00	to	104.00
Angles and splice bars	89.00	to	90.00
No. 1 cupola cast	86.00	to	87.00
Unstripped motor blocks	67.00	to	68.00

Cincinnati

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 51.00	to	$ 52.00
No. 2 hvy. melting	50.00	to	51.00
No. 1 dealer bundles	83.00	to	84.00
No. 2 bundles	27.00	to	28.00
Machine shop turn.	4.00	to	5.00
Shoveling turnings	6.00	to	7.00
Cast iron borings	17.00	to	18.00
Low phos. 18 in. and under	85.00	to	86.00
Rails, random length	66.00	to	67.00
Rails, 2 ft. and under	80.00	to	81.00
No. 1 cupola cast	57.00	to	58.00
Heavy breakable cast	26.00	to	27.00
Drop broken cast	76.00	to	77.00

New York

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 40.00	to	$ 98.00
No. 2 hvy. melting	38.00	to	41.00
No. 2 dealer bundles	23.00	to	27.00
Mixed bor. and turn.	11.00	to	13.00
Machine shop turn.	6.00	to	7.00
Shoveling turnings	14.00	to	15.00
Clean cast, chem. borings	35.00	to	36.00
No. 1 machinery cast	89.00	to	90.00
Mixed yard cast	50.00	to	51.00
Heavy breakable cast	10.00	to	12.00
Stainless			
18-8 prepared solids	490.00	to	510.00
18-8 turnings	390.00	to	410.00
430 prepared solids	90.00	to	110.00
410 solids	80.00	to	90.00

Boston

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 63.00	to	$ 65.00
No. 2 hvy. melting	53.00	to	55.00
No. 1 dealer bundles	63.00	to	65.00
No. 2 bundles	37.00	to	39.00
No. 1 busheling	70.00	to	72.00
Shredder scrap	70.00	to	72.00
Machine shop turn.	12.00	to	14.00
Shoveling turnings	20.00	to	22.00
No. 1 machinery cast	83.00	to	85.00
Mixed cupola cast	50.00	to	52.00
Heavy breakable cast	8.00	to	10.00

San Francisco

No. 1 hvy. melting	$ 44.00	to	$ 46.00
No. 2 hvy. melting	38.00	to	40.00
No. 1 dealer bundles	35.00	to	37.00
No. 2 dealer bundles	18.00	to	20.00
Machine shop turn.	6.00	to	8.00
Cast iron borings	6.00	to	8.00
No. 1 cupola cast	81.00	to	83.00

Los Angeles

No. 1 hvy. melting	$ 45.00	to	$ 47.00
No. 2 hvy. melting	38.00	to	40.00
No. 1 dealer bundles	36.00	to	38.00
No. 2 dealer bundles	18.00	to	20.00
Machine shop turn.	12.00	to	14.00
Shoveling turnings	8.00	to	10.00
Cast iron borings	6.00	to	8.00
Elec. furnace, 1 ft. and under (foundry)	74.00	to	76.00
No. 1 cupola cast	75.00	to	77.00

Seattle

No. 1 hvy. melting	$ 68.00	to	$ 70.00
No. 2 hvy. melting	57.00	to	58.00
No. 2 bundles	40.00	to	42.00
No. 1 cupola cast	92.00	to	93.00
Mixed yard cast	82.00	to	84.00

Hamilton, Ont.

Brokers buying price per net ton on cars:

No. 1 heavy melting	$ 91.00
No. 2 heavy melting cut 2 ft. and under	87.00
No. 1 dealer bundles	93.00
No. 2 bundles	53.00
Mixed steel scrap	62.00
Bush. new fact. prep'd.	93.00
Bush. new fact. unprp'd.	63.00
Machine shop turn.	36.00
Short steel turn.	38.00
Mixed bor. and turn.	30.00
Cast scrap	79.00

Houston

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 68.00	to	$ 70.00
No. 2 hvy. melting	56.00	to	57.00
No. 2 bundles	42.00	to	43.00
Machine shop turn.	13.00	to	14.00
Crushed turnings	31.00	to	32.00
Shredder scrap	73.00	to	74.00
Cut structural plate, 2 ft. and under	98.00	to	101.00
Cut structural plate, 5 ft. and under	83.00	to	86.00
Unstripped motor blocks	66.00	to	67.00
Cupola cast	77.00	to	78.00

PRODUCER PRICES CONTINUE TO FALL

Producer prices in September fell for the second consecutive month, slightly more than the drop in the previous month, the U.S. Bureau of Labor Statistics reported.

The September drop was 0.2 pct compared with August's 0.1 pct. The September figure was the biggest drop since January 1983 when the index fell 0.7 pct.

The decline surprised several analysts who had expected a fairly large increase in September.

Through the three quarters of this year, inflation at the producer level is running at an annual rate of 1.9 pct, well below the pace many expected.

Among finished goods other than foods and energy, prices were unchanged in September continuing a pattern of stability. Capital equipment prices also were unchanged, following increases in July and August. That category represents 22.2 pct of the index.

Decreases for heavy trucks and cars and plastics industry machinery offset advances for light trucks, truck trailers and a few kinds of machinery. Auto prices dropped 4.7 pct, mechanical power transmission equipment went up 0.7 pct, and pumps and compressors' cost 0.4 pct more in September.

Increases compared with August were logged by valves and fittings—0.1 pct—and miscellaneous metal products—0.2 pct. Prices for most nonferrous metals, particularly lead, continued to fall, down 1.7 pct.

The index for intermediate goods edged down 0.1 pct, on a seasonally adjusted basis, about the same as in both July and August.

For machine tools, both metal cutting and metal forming equipment prices rose in September, 0.4 pct and 0.1 pct, respectively.

Overall in September, of the 22 categories shown, 14 rose and six dropped compared with August.

Prices of railroad equipment and electric motors were unchanged.

Latest Month Covered: September 1984

Products	Index Reading For Month (1967 = 100)	Pct Change From Previous Month	Pct Change From Year-Ago Month
Metal Cutting Machine Tools	386.8	+ 0.4	+ 2.7
Metal Forming Machine Tools	425.7	+ 0.1	+ 2.5
Agricultural Machinery & Equip.	337.9	+ 0.1	+ 2.9
Construction Machinery & Equip.	359.0	+ 0.1	+ 1.6
Industrial Process Furnace & Ovens	375.5	− 0.1	+ 3.3
Industrial Material Handling Equip.	290.6	+ 0.1	+ 1.9
Pumps, Compressors & Allied Equip.	349.6	+ 0.4	+ 1.0
Fluid Power Equip. (Dec. 1970 = 100)	260.9	+ 0.1	+ 2.8
Mechanical Power Transmission Equip.	330.2	+ 0.7	+ 4.6
Automobiles	211.0	− 4.7	+ 1.5
Motor Trucks—Light	267.8	− 4.9	+ 4.9
Motor Trucks—Heavy	331.5	− 1.0	+10.1
Railroad Equipment	364.6	0	+ 4.0
Fabricated Metal Structural Products	312.1	− 0.1	+ 2.6
Electric Motors	340.4	0	+ 1.5
Valves & Fittings	102.8	+ 0.1	+ 3.0
Ball & Roller Bearings	344.1	+ 0.1	+ 3.6
Cutting Tools & Accessories	280.1	+ 0.4	+ 1.9
Heating Equipment	257.5	+ 0.8	+ 4.4
Plumbing Fixtures & Brass Fittings	299.0	− 1.4	+ 2.3
Metal Containers	352.6	+ 0.1	+ 4.2
Miscellaneous Metal Products	+295.6	+ 0.2	+ 4.0

Data based on U.S. Labor Dept.'s Producer Price Index